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**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of the Partial Offer, this Offer Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Longevity Group Company Limited**, you should at once hand this Offer Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form of Acceptance.

This Offer Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Partial Offer contained herein.

## **ALTERNATIVE LIQUIDITY INDEX, LP**

*(A Delaware limited partnership)*

**OFFER DOCUMENT RELATING TO  
THE CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY  
SOMERLEY CAPITAL LIMITED  
FOR AND ON BEHALF OF  
ALTERNATIVE LIQUIDITY INDEX, LP  
TO ACQUIRE A MAXIMUM OF 85,261,250 SHARES IN  
CHINA LONGEVITY GROUP COMPANY LIMITED (STOCK CODE: 1863)  
(A COMPANY INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED  
LIABILITY)**

**Financial Adviser to the Offeror**



**SOMERLEY CAPITAL LIMITED**

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Capitalised terms used in this cover page shall have the same meanings as those defined in this Offer Document unless the context requires otherwise.

A letter from Somerley Capital, containing among other things, principal terms of the Partial Offer is set out on pages 5 to 18 of this Offer Document.

The procedures for acceptance and other related information in respect of the Partial Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance. Forms of Acceptance should be received by the Receiving Agent, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on Tuesday, 8 April 2025 (being the First Closing Date), or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code. Should Shareholders have any enquiries relating to the procedures for acceptance of the Partial Offer, the Shareholders may contact the Receiving Agent, Union Registrars Limited, at its hotline (852) 2849 3399 during the period from Tuesday, 11 March 2025 to the Closing Date between 9:00 a.m. to 5:00 p.m. (Hong Kong time) on Mondays to Fridays, excluding Hong Kong public holidays.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Offer Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the paragraphs headed "Overseas Shareholders" in the "Letter from Somerley Capital" and "Overseas Shareholders" in Appendix I to this Offer Document before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Partial Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents or any registration or filing which may be required and the compliance with other necessary formalities or legal requirements and payment of any transfer or other taxes due by such Overseas Shareholder in respect of such jurisdiction. Each Overseas Shareholder is advised to seek professional advice on deciding whether to accept the Partial Offer.

This Offer Document will remain on the website of the Stock Exchange (<http://www.hkexnews.hk>) as long as the Partial Offer remains open.

11 March 2025

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## IMPORTANT NOTICE

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**The Offeree Company has been suspended from trading for over a decade. The suspension appears to be due to, without limitation, irregularities and qualified opinions on financial statements of the Offeree Company arising from material inaccuracies and discrepancies identified as well as subsequent enforcement actions, including a “show cause letter” from the SFC.**

**Alternative Liquidity considers that the Partial Offer provides a reasonable opportunity for legacy holders of the Shares (who may wish to dispose their Shares due to various issues and other risks related to the Offeree Company causing the prolonged suspension of trading of the Shares) to dispose of their Shares in a fair and transparent manner. Shareholders may dispose: (i) all of their Shares if valid acceptances are received in respect of Offer Shares of an amount no less than 8,526,125 Offer Shares (being the minimum number required for the Partial Offer to become unconditional) but no more than the maximum of 85,261,250 Offer Shares; and (ii) some of their Shares if valid acceptances are received in respect of Offer Shares exceeding the maximum of 85,261,250 Offer Shares (in which event the common pool method shall be used for determining the number of Shares that would be taken up by the Offeror). In the process, Alternative Liquidity would assume the relevant associated risks attached to the holding of the Shares in the longer term (consistent with its longer term investment strategy) which is reflected in the Offer Price commensurate with the risk-benefit balance.**

### **Who is making the Partial Offer and why?**

The Offeror is a fund in the form of a Delaware incorporated limited partnership managed by Alternative Liquidity which acts as its general partner and investment manager responsible for managing the portfolio of the Offeror.

Alternative Liquidity, based in the state of Minnesota in the United States, is in the business of providing liquidity solutions to investors in delisted and non-traded securities globally by making offers for such securities which, after taking into account risk-reward assessments based on information and know-how available to it, are consistent with its long-term investment strategy.

Alternative Liquidity has successfully completed more than 20 partial tender offers in the United States, Australia, and other jurisdictions. As of 31 December, 2024, Alternative Liquidity had approximately US\$16.9 million in assets under management.

Consistent with such investment strategy and philosophy, Alternative Liquidity is seeking to establish an ownership interest in the Shares for passive investment purposes. Alternative Liquidity has a normal investment horizon of five to ten years. The Partial Offer is not intended as disruptive but rather as a means to take an investment position in a long-suspended company.

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## IMPORTANT NOTICE

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### **What is the Partial Offer and what is the Offer Price?**

On 10 February 2025 the Offeror notified the Offeree Company of its firm intention to make the Partial Offer to acquire a minimum of 8,526,125 Offer Shares (representing approximately 1% of the Offeree Company's issued share capital as at the Latest Practicable Date) and a maximum of 85,261,250 Offer Shares (representing approximately 10% of the Offeree Company's issued share capital as at the Latest Practicable Date). The Partial Offer is made by Somerley Capital, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

**For each Offer Share . . . . . HK\$0.01 in cash**

### **Is there any condition to the Partial Offer?**

The Partial Offer is subject to the Condition that valid acceptances are received (and not, where permitted, withdrawn) in respect of a minimum of 8,526,125 Offer Shares (representing approximately 1% of the Offeree Company's issued share capital as at the Latest Practicable Date) at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, or such later date as may be extended by the Offeror in accordance with the requirements of the Takeovers Code and with the consent of the Executive.

### **When and how do I accept the Partial Offer?**

The commencement date of the Partial Offer is today, i.e. Tuesday, 11 March 2025. You have 28 days, until 4:00 p.m. on Tuesday, 8 April 2025, to accept the Partial Offer, unless the Partial Offer is extended in accordance with the Takeovers Code and with the consent of the Executive.

The procedures for acceptance and further details of the Partial Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

**Pursuant to the Takeovers Code, the Offeree Document will be issued by the Offeree Company with the inclusion of the views of the Board and the independent board committee of the Offeree Company on the Partial Offer, and the written advice of the independent financial adviser of the Offeree Company in relation to whether the Partial Offer is fair and reasonable or not, and the reasons therefor. The Shareholders are advised to read the Offer Document and the Offeree Document before taking any action in respect of the Partial Offer.**

To accept the Partial Offer, if the share certificates in respect of your Shares are in your name, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon.

However, based on the latest register of members of the Offeree Company available to the Offeror, approximately 99% of Shares are registered in the name of HKSCC Nominees Limited. If your Shares have been deposited in CCASS via a licensed securities dealer/broker/custodian bank, you must instruct the licensed securities dealer/broker/custodian bank to authorise HKSCC Nominees Limited to accept the Partial Offer on your behalf on or prior to the deadline set by HKSCC Nominees Limited. In order to understand and meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/broker/custodian bank as soon as possible for the timing on processing your instruction, and submit such instruction to your licensed securities dealer/broker/custodian bank in good time.

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## IMPORTANT NOTICE

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The Offeror will bear the seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Partial Offer.

Please call the Receiving Agent, Union Registrars Limited, at its hotline (852) 2849 3399 between 9:00 a.m. to 5:00 p.m. (Hong Kong time) on Mondays to Fridays, excluding Hong Kong public holidays, if you have any questions in respect of purely administrative matters in respect of the Partial Offer. The hotline cannot and will not provide advice on the merits of the Partial Offer or give financial or legal advice. If you are in any doubt as to any aspect of this Offer Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

### **NOTICE TO THE OVERSEAS SHAREHOLDERS**

The making of the Partial Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Partial Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction. The Offeror and parties acting in concert with it, Somerley Capital, the Receiving Agent, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Partial Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please refer to the paragraph headed "Overseas Shareholders" in the "Letter from Somerley Capital" in this Offer Document.

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## EXPECTED TIMETABLE

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*The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be announced by the Offeror. Unless otherwise expressly stated, all time and date references contained in this Offer Document refer to Hong Kong time and dates.*

Despatch date of this Offer Document and the accompanying Form of Acceptance and commencement date of the Partial Offer ( <i>Note 1</i> ) ..	Tuesday, 11 March 2025
Latest time for posting of the Offeree Document ( <i>Note 2</i> ) ..	Tuesday, 25 March 2025
<i>Ching Ming Festival (public holiday in Hong Kong)</i> ..	Friday, 4 April 2025
Latest time and date for acceptance of the Partial Offer on the First Closing Date ( <i>Note 3</i> ) ..	4:00 p.m. on Tuesday, 8 April 2025
Announcement of the results of the Partial Offer as at the First Closing Date (or its extension or revision, if any), to be posted on the website of the Stock Exchange ..	by 7:00 p.m. on Tuesday, 8 April 2025
<i>Good Friday (public holiday in Hong Kong)</i> ..	Friday, 18 April 2025
<i>Easter Monday (public holiday in Hong Kong)</i> ..	Monday, 21 April 2025
Latest time and date for acceptance of the Partial Offer assuming the Partial Offer becomes or is declared unconditional on the First Closing Date (i.e. the Final Closing Date) ( <i>Note 4</i> ) ..	4:00 p.m. on Tuesday, 22 April 2025
Announcement of the results of the Partial Offer as at the Final Closing Date to be posted on the website of the Stock Exchange ( <i>Note 5</i> ) ..	by 7:00 p.m. on Tuesday, 22 April 2025
Designated agent starts to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) ..	9:00 a.m. on Wednesday, 23 April 2025
<i>Labour Day (public holiday in Hong Kong)</i> ..	Thursday, 1 May 2025
Latest date for posting of remittances for the amount due in respect of valid acceptances received under the Partial Offer on the Final Closing Date ( <i>Note 6</i> ) ..	Friday, 2 May 2025
Latest date for despatch of share certificate(s) and/or any transfer receipt(s) and other document(s) of title for Shares tendered but not taken up or share certificate(s) in respect of the balance of such Shares (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) ..	Friday, 2 May 2025
Designated agent ceases to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) ..	Wednesday, 4 June 2025

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## EXPECTED TIMETABLE

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*Notes:*

1. The Partial Offer is open for acceptance on and from Tuesday, 11 March 2025, being the date of posting of this Offer Document, until 4:00 p.m. on the Closing Date, i.e. the later of the Final Closing Date on Tuesday, 22 April 2025 or the date falling 14 days after the Partial Offer becomes or is declared unconditional in all respects, or if the Partial Offer is extended, any subsequent Closing Date as extended and announced by the Offeror in accordance with the Takeovers Code and with the consent of the Executive.
2. In accordance with the Takeovers Code, the Offeree Company is required to post the Offeree Document to the Shareholders no later than 14 days after the date of this Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the First Closing Date by the number of days in respect of which the delay in the posting of the Offeree Document is agreed.
3. In accordance with the Takeovers Code, where the Offeree Document is posted after the date of this Offer Document, the Partial Offer must be open for acceptance for at least 28 days after the date of this Offer Document. The Offeror reserves its right, as permitted under the Takeovers Code, to revise or extend the Partial Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In the event that valid acceptances are received for less than the required number of 8,526,125 Offer Shares by the First Closing Date, the Partial Offer will not proceed and will lapse immediately unless the First Closing Date is extended by the Offeror in accordance with the requirements of the Takeovers Code and with the consent of the Executive. The Offeror will issue an announcement in relation to any revision or extension of the Partial Offer, which will state the next Closing Date.
4. The Offeror has the right, subject to the Takeovers Code, to extend the Partial Offer until such date as it may determine or as permitted by the Executive, in accordance with the Takeovers Code. Pursuant to Rule 28.4 of the Takeovers Code: (a) if on a Closing Date acceptances received equal or exceed the minimum number of 8,526,125 Shares stated in the section headed “Condition to the Partial Offer” in the “Letter from Somerley Capital” in this Offer Document, the Offeror must declare the Partial Offer unconditional as to acceptances and extend the Final Closing Date to the 14th day thereafter and the Offeror cannot further extend the Final Closing Date; (b) if the acceptance condition is fulfilled during the period between the Despatch Date and the date which is 14 days before the First Closing Date, the Offeror must declare the Partial Offer unconditional as to acceptances on the day the acceptance condition is met, provided that the Partial Offer would remain open for acceptance for not less than 14 days thereafter, and the Offeror cannot extend the First Closing Date and the Final Closing Date would be on (but no earlier than) the First Closing Date; or (c) if the acceptance condition is fulfilled within the 14-days period before the First Closing Date, the Partial Offer would remain open for acceptance for 14 days after the Partial Offer is declared unconditional as to acceptance (i.e. the Final Closing Date). The Offeror will make an announcement when the Partial Offer becomes unconditional in all respects.
5. The announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code and will include, among other things, the results of the Partial Offer and details of the way in which the pro rata entitlement for each accepting Shareholder was determined.
6. Subject to the Partial Offer becoming unconditional, remittances in respect of the consideration payable for the Offer Shares tendered under the Partial Offer will be posted by ordinary post to the accepting Shareholders at their own risk as soon as possible but in any event no later than seven business days following the Final Closing Date.
7. If there is any severe weather condition in force in Hong Kong:
  - (a) at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer will remain at 4:00 p.m. on the same business day and the latest date for the despatch of remittances will remain on the same business day; or
  - (b) at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances the latest time for acceptance of the Partial Offer and the latest date for the despatch of remittances will be rescheduled on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

“severe weather” refers to the scenario where typhoon signal No. 8 or above, a black rainstorm warning (as issued by the Hong Kong observatory), or the “extreme conditions” warning (as announced by the Hong Kong Government) is in force in Hong Kong.

Save as mentioned above, if the latest time for acceptance of the Partial Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

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## DEFINITIONS

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In this Offer Document, the following expressions shall have the following meanings, unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Alternative Liquidity”	Alternative Liquidity GP LLC, the general partner and investment manager of the Offeror
“Announcement”	the announcement dated 11 February 2025 issued by the Offeror in respect of the Partial Offer
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“business day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Closing Date”	the First Closing Date of the Partial Offer or any subsequent closing date of the Partial Offer as may be extended or revised in accordance with the Takeovers Code and with the consent of the Executive
“Condition”	the condition to which the Partial Offer is subject, as set out in the section headed “Condition to the Partial Offer” in the “Letter from Somerley Capital” in this Offer Document
“connected person(s)”	has the meaning ascribed to it under the Listing Rules and the term “connected” shall be construed accordingly
“Despatch Date”	11 March 2025, being the date of despatch of this Offer Document to the Shareholders as required by the Takeovers Code
“Director(s)”	the director(s) of the Offeree Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of the Executive Director
“Final Closing Date”	the date which is either the 14th day after the date on which the Partial Offer is declared unconditional as to acceptances; or the First Closing Date, whichever is the later, provided that the Partial Offer will be open for acceptance for at least 28 days after the Despatch Date



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## DEFINITIONS

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“First Closing Date”	the date stated in this Offer Document as the first closing day of the Partial Offer, which shall be at least 28 days after the Despatch Date, or such later date as may be determined by the Offeror in accordance with the requirements of the Takeovers Code, but may not be later than the 60th day after the Despatch Date
“Form of Acceptance”	the form of acceptance in respect of the Partial Offer accompanying this Offer Document
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Full Trading Day”	8 February 2013, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Last Trading Day”	14 February 2013, being the last trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Latest Practicable Date”	7 March 2025, being the latest practicable date prior to the printing of this Offer Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offer Document”	this offer document issued by the Offeror in connection with the Partial Offer in accordance with the requirements of the Takeovers Code
“Offer Period”	the period commenced since 11 February 2025, being the date of the Announcement and ending on the Closing Date or the date of the lapse of the Partial Offer in accordance with the Takeovers Code
“Offer Price”	the price per Offer Share at which the Partial Offer is made in cash, being HK\$0.01 per Offer Share

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## DEFINITIONS

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“Offer Share(s)”	the Shares to be purchased by the Offeror from the Qualifying Shareholders under the Partial Offer, being an amount no less than 8,526,125 Offer Shares (being the minimum number required for the Partial Offer to become unconditional) but no more than the maximum of 85,261,250 Offer Shares held by the Qualifying Shareholders which are subject to the Partial Offer
“Offeree Company”	China Longevity Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1863)
“Offeree Document”	the response document in respect of the Partial Offer to be issued by the Offeree Company to the Shareholders in accordance with the Takeovers Code
“Offeree Group”	the Offeree Company and its subsidiaries (from time to time)
“Offeror”	Alternative Liquidity Index, LP, a fund in the form of a Delaware incorporated limited partnership
“Overseas Shareholder(s)”	Qualifying Shareholder(s) whose address(es), as shown on the register of members of the Offeree Company, is/are outside Hong Kong
“Partial Offer”	the conditional voluntary cash partial offer to be made by Somerley Capital for and on behalf of the Offeror to acquire an amount no less than 8,526,125 Offer Shares (being the minimum number required for the Partial Offer to become unconditional) but no more than the maximum of 85,261,250 Offer Shares at the Offer Price in cash from the Qualifying Shareholders in accordance with the Takeovers Code on the basis set out in this Offer Document and the accompanying Form of Acceptance
“PRC”	the People’s Republic of China, which for the purposes of this Offer Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Pre-Condition”	the pre-condition to the making of the Partial Offer as set out in the section headed “Pre-Condition to the Partial Offer” in the “Letter from Somerley Capital” in this Offer Document, which was satisfied on 7 March 2025

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## DEFINITIONS

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“Qualifying Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it
“Receiving Agent”	Union Registrars Limited, in its capacity as the receiving agent of the Offeror with respect to the Partial Offer, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Registrar”	Boardroom Share Registrars (HK) Limited, the branch share registrar and transfer office of the Offeree Company in Hong Kong, located at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong
“Relevant Period”	the period commencing from 11 August 2024, being the date falling six months immediately preceding the commencement of the Offer Period (i.e. 11 February 2025), to and inclusive of the Latest Practicable Date
“relevant securities”	has the meaning ascribed to it under Note 4 to Rule 22 of the Takeovers Code
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with par value of HK\$0.001 each in the share capital of the Offeree Company
“Shareholder(s)”	holder(s) of the Share(s)
“Somerville Capital”	Somerville Capital Limited, a corporation licensed by the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Partial Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“%”	per cent.

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## LETTER FROM SOMERLEY CAPITAL

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**SOMERLEY CAPITAL LIMITED**  
20th Floor, China Building  
29 Queen's Road Central  
Hong Kong

11 March 2025

*To the Shareholders*

Dear Sir or Madam,

**THE CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY  
SOMERLEY CAPITAL LIMITED  
FOR AND ON BEHALF OF  
ALTERNATIVE LIQUIDITY INDEX, LP  
TO ACQUIRE A MAXIMUM OF 85,261,250 SHARES IN  
CHINA LONGEVITY GROUP COMPANY LIMITED (STOCK CODE: 1863)  
(A COMPANY INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED  
LIABILITY)**

### INTRODUCTION

Reference is made to the Announcement.

On 10 February 2025 (after trading hours), the Offeror notified the Offeree Company of its firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire a minimum of 8,526,125 Offer Shares (representing approximately 1% of the Offeree Company's issued share capital as at the Latest Practicable Date) and a maximum of 85,261,250 Offer Shares (representing approximately 10% of the Offeree Company's issued share capital as at the Latest Practicable Date) at the Offer Price of HK\$0.01 per Offer Share.

The making of the Partial Offer was subject to the satisfaction of the Pre-Condition, being (i) the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code; and (ii) the obtaining of a waiver from requirement under Rule 28.7 of the Takeovers Code from the Executive in connection with the making of the Partial Offer for a specified range (rather than a precise number) of Shares. As disclosed in the announcement of the Offeror dated 7 March 2025 in relation to the update on the Partial Offer, the Offeror announced that the Pre-Condition had been satisfied on 7 March 2025. The Partial Offer is further subject to the fulfilment of the Condition as set out in the section headed "Condition to the Partial Offer" of this Offer Document.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options of the Offeree Company or any derivatives in respect of such securities.

As at the Latest Practicable Date, the Offeree Company has 852,612,470 Shares in issue. The Offeree Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

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## LETTER FROM SOMERLEY CAPITAL

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This letter forms part of this Offer Document and sets out, among other things, principal terms of the Partial Offer, together with the information on the Offeror and the intention of the Offeror regarding the Offeree Group. Further details of the terms and procedures of acceptance of the Partial Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

### Principal terms of the Partial Offer

The Partial Offer is being made by Somerley Capital, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

**For each Offer Share ..... HK\$0.01 in cash**

The Offer Price of HK\$0.01 per Share was determined after taking into account, among other things, various qualitative and quantitative factors and the exceptional circumstances of the Offeree Company. In particular, the following matters were considered:

- (i) the Offer Shares have been suspended from trading for over a decade since 14 February 2013. The suspension appears to be due to, without limitation, irregularities and qualified opinions on financial statements of the Offeree Company arising from material inaccuracies and discrepancies identified as well as subsequent enforcement actions, including a “show cause letter” from the SFC (the “**Material Issues**”);
- (ii) the Offeree Company may fail to resolve the Material Issues or comply with the resumption guidance of the Stock Exchange and relevant Listing Rules with the consequential risk of delisting of the Offer Shares from the Stock Exchange;
- (iii) the Offeree Company may potentially be subject to material penalties or other adverse consequences arising from the enforcement actions that may be taken by the SFC, which may have an adverse impact on the reputation and financial position of the Offeree Company;
- (iv) the Offeree Company has not declared or paid any dividends since 2012, despite reporting profits;
- (v) the Offeror, in its internal assessment, has applied an estimated liquidation discount to the assets of the Offeree Company set out in its unaudited balance sheet as at 30 June 2024 (which was not reviewed by the auditors) and further notes substantial bank loans in the amount of approximately RMB622 million as at that date, guaranteed by the ultimate shareholder; and
- (vi) the Offeror has incurred and is incurring significant professional and other costs in making the Partial Offer.

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

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## LETTER FROM SOMERLEY CAPITAL

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The procedures for acceptance and further details of the Partial Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

**Pursuant to the Takeovers Code, the Offeree Document will be issued by the Offeree Company with the inclusion of the views of the Board and the independent board committee of the Offeree Company on the Partial Offer, and the written advice of the independent financial adviser of the Offeree Company in relation to whether the Partial Offer is fair and reasonable or not, and the reasons therefor. The Shareholders are advised to read the Offer Document and the Offeree Document before taking any action in respect of the Partial Offer.**

### **Pre-Condition to the Partial Offer**

As disclosed in the Announcement, the making of the Partial Offer was subject to:

- (i) the obtaining of consent from Executive for the Partial Offer under Rule 28.1 of the Takeovers Code; and
- (ii) the obtaining of a waiver from requirement under Rule 28.7 of the Takeovers Code from the Executive in connection with the making of the Partial Offer for a specified range (rather than a precise number) of Shares.

As disclosed in the announcement of the Offeror dated 7 March 2025 in relation to the update on the Partial Offer, the Offeror announced that the Pre-Condition had been satisfied on 7 March 2025.

### **Condition to the Partial Offer**

The Partial Offer is subject to the Condition that valid acceptances are received (and not, where permitted, withdrawn) in respect of a minimum of 8,526,125 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date which shall be at least 28 days after the Despatch Date of the Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be extended by the Offeror in accordance with the requirements of the Takeovers Code and with the consent of the Executive.

In the event that valid acceptances are received:

- (i) for less than the required number of 8,526,125 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code and with the consent of the Executive, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than the required number of 8,526,125 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, where the offeree board circular is posted after the date of the Offer Document, the Partial Offer must initially be open for acceptance for at least 28 days after the Despatch Date.

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## LETTER FROM SOMERLEY CAPITAL

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Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances prior to the First Closing Date, provided that Rule 15.3 of the Takeovers Code is complied with, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Accordingly, if the Partial Offer is declared unconditional in all respects on or before the 14th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date, being at least 28 days after the Despatch Date. If the Partial Offer is declared unconditional in all respects later than the 14th day after the Despatch Date, the Final Closing Date would be at least 14 days after the date of such declaration.

The Offeror will issue an announcement in relation to the fulfilment of the Condition to the Partial Offer or the lapse of the Partial Offer in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Partial Offer unconditional in all respects is 7:00 p.m. on the 60th day after the Despatch Date (or such later date to which the Executive may consent).

**WARNING: Shareholders and potential investors of the Offeree Company should note that the Partial Offer is subject to the satisfaction of the Condition. Accordingly, the Partial Offer will lapse if it does not become unconditional. Shareholders and potential investors of the Offeree Company are advised to exercise caution when dealing in the securities of the Offeree Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

### Comparison of value for the Offer Price

Trading in the Shares has been suspended since 14 February 2013. Accordingly, where reference is made below to a comparison of the Offer Price to closing prices of Shares, the relevant closing prices of the Shares are those relating to the period preceding the suspension of trading in the Shares over ten years ago.

The Offer Price of HK\$0.01 per Offer Share represents:

- (i) a discount of approximately 99.3% to the closing price of HK\$1.37 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 99.3% to the closing price of HK\$1.37 per Share as quoted on the Stock Exchange on 10 February 2025, being the last business day before the Offer Period;
- (iii) a discount of approximately 99.3% to the closing price of HK\$1.37 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 99.3% to the closing price of HK\$1.49 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (v) a discount of approximately 99.3% to the average of the closing prices of the Shares of approximately HK\$1.52 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Full Trading Day;
- (vi) a discount of approximately 99.4% to the average of the closing prices of the Shares of approximately HK\$1.54 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Full Trading Day;

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## LETTER FROM SOMERLEY CAPITAL

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- (vii) a discount of approximately 99.4% to the average of the closing prices of the Shares of approximately HK\$1.61 as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Full Trading Day;
- (viii) a discount of approximately 98.8% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.85 per Share as at 31 December 2023, calculated based on the audited consolidated net asset value of the Offeree Company attributable to the Shareholders of approximately RMB676,424,000 as at 31 December 2023 and 852,612,470 Shares in issue as at the Latest Practicable Date, and a RMB: HKD forex rate of 1:1.0729 as quoted by Bloomberg as at 12 noon (Hong Kong time) on the Latest Practicable Date; and
- (ix) a discount of approximately 98.9% to the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.88 per Share as at 30 June 2024, calculated based on the unaudited consolidated net asset value of the Offeree Company attributable to the Shareholders of approximately RMB696,584,000 as at 30 June 2024 and 852,612,470 Shares in issue as at the Latest Practicable Date, and a RMB: HKD forex rate of 1:1.0729 as quoted by Bloomberg as at 12 noon (Hong Kong time) on the Latest Practicable Date.

### **Highest and lowest Share prices**

The Shares have been suspended from trading since 14 February 2013 (i.e. the Last Trading Day) and over the Relevant Period. During the period commencing 6 months before the Last Trading Day and up to and including the Latest Practicable Date:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.93 per Share on 23 and 24 August 2012; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.31 per Share on 17 December 2012.

### **Total value of the Partial Offer**

Based on the Offer Price of HK\$0.01 per Offer Share, assuming valid acceptances of the Partial Offer for:

- (i) the required minimum number of 8,526,125 Offer Shares have been tendered by the Qualifying Shareholders, the total cash consideration payable by the Offeror to purchase the 8,526,125 Offer Shares from the Qualifying Shareholders under the Partial Offer will be HK\$85,261.25; and
- (ii) the maximum number of 85,261,250 Offer Shares have been tendered by the Qualifying Shareholders, the total cash consideration payable by the Offeror to purchase the 85,261,250 Offer Shares from the Qualifying Shareholders under the Partial Offer will be HK\$852,612.50.



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## LETTER FROM SOMERLEY CAPITAL

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### Financial resources available to the Offeror

The Offeror will finance the consideration payable under the Partial Offer through its internal resources. Somerley Capital, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable by the Offeror under the Partial Offer.

### Acceptance of the Partial Offer

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects, (a) if valid acceptances are received for an amount no less than 8,526,125 Offer Shares (being the minimum number required for the Partial Offer to become unconditional) but no more than the maximum of 85,261,250 Offer Shares on the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be equal to the total number of Offer Shares tendered for acceptance by such accepting Qualifying Shareholder; or (b) if valid acceptances are received for more than the maximum number of Offer Shares on the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula (the “**Formula**”):

$$\frac{A}{B} \times C$$

- A = the maximum number of Offer Shares under the Partial Offer (i.e. 85,261,250 Offer Shares)
- B = the total number of Offer Shares validly tendered for acceptance by all Qualifying Shareholders under the Partial Offer
- C = the number of Offer Shares tendered for acceptance by the relevant individual Qualifying Shareholder under the Partial Offer

### Partial nature of the Partial Offer and effect of fractions

It is possible that, if a Qualifying Shareholder tenders all his/her Shares for acceptance under the Partial Offer, not all of such Shares will be taken up.

Fractions of Offer Shares will not be taken up under the Partial Offer and, accordingly, the number of Offer Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above Formula will be rounded up or down to the nearest whole number at the discretion of the Offeror, and in any event, the total number of Offer Shares to be taken up by the Offeror will not exceed the number of Offer Shares.

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## LETTER FROM SOMERLEY CAPITAL

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### **Odd lots**

Shareholders should note that acceptance of the Partial Offer may result in holding odd lots of Shares. Accordingly, Halcyon Securities Limited, the address of which is Rm 3401, 34/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (telephone number: 852-3970 0963, office hours: 9:00 a.m. to 5:00 p.m.) has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares on a best efforts basis for a period of six weeks following the close of the Partial Offer, on the basis of the indicative expected timetable set out on page v for the period from Wednesday, 23 April 2025 to Wednesday, 4 June 2025, both days inclusive, to assist such Shareholders in disposing their odd lots or to top up their odd lots to whole board lots. Shareholders should note that as the trading of the Shares has been suspended, the off-market matching of odd lots will be conducted on a best efforts basis and transaction costs (such as potential fees for the withdrawal of physical share certificate(s) imposed by the relevant securities broker with which the Shares are held, as well as the fees for handling the bought and sold notes to effect the sale and purchase of odd lot holdings of the Shares) may apply.

### **Effect of accepting the Partial Offer**

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. As at the Latest Practicable Date, the Offeree Company has not declared any dividends or other distributions which remain unpaid.

Based on the published information of the Offeree Company available to the public as at the Latest Practicable Date, there has been no dividend or distribution declared by the Offeree Company for the financial years ended 31 December 2023 and 31 December 2024 up to the Latest Practicable Date.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

### **Settlement of consideration**

Settlement of the consideration payable by the Offeror in respect of acceptance of the Partial Offer will be made as soon as possible but in any event no later than seven (7) business days after the Final Closing Date.

No fractions of a cent will be payable and the amount of cash consideration payable to any Qualifying Shareholder who accepts the Partial Offer will be rounded up to the nearest cent.

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## LETTER FROM SOMERLEY CAPITAL

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### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be borne by the Offeror.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the Qualifying Shareholders that accept the Partial Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Return of documents**

If the Partial Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, or is withdrawn or lapsed, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Receiving Agent will be returned to persons who have accepted the Partial Offer by ordinary post at his/her own risk as soon as possible but in any event no later than seven (7) business days after the Partial Offer is withdrawn or lapsed.

If part of the Shares tendered by the Qualifying Shareholders are not taken up by the Offeror under the Partial Offer, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for the Shares not taken up by the Offeror will be returned to persons who have accepted the Partial Offer by ordinary post at his/her own risk as soon as possible but in any event no later than seven (7) business days following the Final Closing Date.

### **Taxation advice**

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Partial Offer. None of the Offeror and parties acting in concert with it, Somerley Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.

### **Overseas Shareholders**

The Partial Offer is made to all Qualifying Shareholders, including the Overseas Shareholders and a copy of this Offer Document will be sent to each Shareholder with registered addresses in Hong Kong or jurisdictions outside Hong Kong. The making of the Partial Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be prohibited or affected by the applicable laws and regulations of their relevant jurisdictions of residence.

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## LETTER FROM SOMERLEY CAPITAL

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Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibility of any such persons who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements or the payment of any transfer or other taxes due from such persons in respect of such jurisdictions).

**Any acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a representation and warranty from such Qualifying Shareholders to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders should consult their professional advisers if in doubt.**

### **SHAREHOLDING STRUCTURE OF THE OFFEREE COMPANY AND EFFECT OF THE PARTIAL OFFER**

Assuming that (i) there will be no change to the issued share capital of the Offeree Company; and (ii) no other change to the shareholding between the Latest Practicable Date and up to the Final Closing Date, the shareholding structure of the Offeree Company, as at the Latest Practicable Date and immediately upon completion of the Partial Offer in the event (a) the maximum of 85,261,250 Offer Shares are tendered by Qualifying Shareholders and each Qualifying Shareholder has tendered an approximately 10% (i.e. 85,261,250 divided by 852,612,470) of his or her holdings of Shares for acceptance under the Partial Offer; and (b) the minimum of 8,526,125 Offer Shares for the Partial Offer to become unconditional are tendered by Qualifying Shareholders and each Qualifying Shareholder has tendered an approximately 1% (i.e. 8,526,125 divided by 852,612,470) of his or her holdings of Shares for acceptance under the Partial Offer, is illustrated in the table below:

## LETTER FROM SOMERLEY CAPITAL

Name of shareholders of the Offeree Company	Notes	As at the Latest Practicable Date		Immediately upon completion of the Partial Offer in the event that the maximum of 85,261,250 Offer Shares have been tendered by Qualifying Shareholders for acceptance under the Partial Offer		Immediately upon completion of the Partial Offer in the event that 8,526,125 Offer Shares (being the minimum number required to be tendered for the Partial Offer to become unconditional) have been tendered by Qualifying Shareholders for acceptance under the Partial Offer	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
Hopeland International Holdings Company Limited (“Hopeland International”)	1	410,886,000	48.19	369,797,399	43.37	406,777,140	47.71
Glory Bright Investments Enterprise Limited (“Glory Bright”)	2	59,011,000	6.92	53,109,900	6.23	58,420,890	6.85
The Offeror and parties acting in concert with it	3	–	–	85,261,250	10.00	8,526,125	1.00
Other public shareholders		<u>382,715,470</u>	<u>44.89</u>	<u>344,443,921</u>	<u>40.40</u>	<u>378,888,315</u>	<u>44.44</u>
Total:		<u>852,612,470</u>	<u>100.00</u>	<u>852,612,470</u>	<u>100.00</u>	<u>852,612,470</u>	<u>100.00</u>

*Notes:*

- Based solely on the latest published information of the Offeree Company as at the Latest Practicable Date (namely, the interim report of the Offeree Company as at 30 June 2024), Mr. Lin Shengxiong through his 100% equity interest in Hopeland International Holdings Company Limited held 410,886,000 Shares, representing approximately 48.19% of the entire issued share capital of the Offeree Company. Mr. Lin Shengxiong was an executive Director of the Offeree Company prior to his resignation on 1 December 2022.
- Based solely on the latest published information of the Offeree Company as at the Latest Practicable Date (namely, the interim report of the Offeree Company as at 30 June 2024), the issued share capital of Glory Bright Investments Enterprise Limited is beneficially wholly-owned by Mr. Lin Wanpeng. Mr. Lin Wanpeng is deemed to be interested in 59,011,000 Shares, representing approximately 6.92% of the entire issued share capital of the Offeree Company.
- The Offeror will not be a ‘controlling shareholder’ (as defined in the Listing Rules) of the Offeree Company immediately upon completion of the Partial Offer. The Offeror does not have any relationship with Mr. Lin Shengxiong, Hopeland International, Mr. Lin Wanpeng or Glory Bright and they are not parties acting in concert with the Offeror.
- Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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## LETTER FROM SOMERLEY CAPITAL

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Assuming that (i) there will be no change to the issued share capital of the Offeree Company; (ii) no other change to the shareholding between the Latest Practicable Date and up to the Final Closing Date; and (iii) the maximum of 85,261,250 Offer Shares have been tendered by Qualifying Shareholders under the Partial Offer other than Hopeland International and Glory Bright, the maximum of 85,261,250 Offer Shares tendered under the Partial Offer represent approximately 22.3% of 382,715,470 Shares held by Qualifying Shareholders other than Hopeland International and Glory Bright as at the Latest Practicable Date.

### INFORMATION OF THE OFFEREE GROUP

The Offeree Company is a Hong Kong-based company principally engaged in the design, development, manufacture and sales of polymer processed high strength polyester fabric composite materials and other reinforced composite materials, conventional materials and downstream-related inflatable and waterproof products (including double wall fabric, tent materials, architectural membranes, airtight materials, sports materials, large scale inflatable toys and water sports products, among others) which are used in various industries (including the transportation industry, the construction industry, the renewable energy industry, the agriculture industry, the outdoor leisure industry, the entertainment industry and the sports industry). The Offeree Company mainly operates businesses in China.

The following table is a summary of (i) certain consolidated financial information of the Offeree Group for the six months ended 30 June 2024 and 30 June 2023 as extracted from the Offeree Company's interim report for the six months ended 30 June 2024 and 30 June 2023, respectively; and (ii) certain audited consolidated financial information of the Offeree Group for the financial years ended 31 December 2022 and 31 December 2023 respectively, as extracted from the annual report of the Offeree Company for the years ended 31 December 2022 and 31 December 2023, respectively:

	<b>For the year ended</b>		<b>For the six months ended</b>	
	<b>31 December</b>		<b>30 June</b>	
	<b>2022</b>	<b>2023</b>	<b>2023</b>	<b>2024</b>
	(audited)	(audited)	(unaudited)	(unaudited)
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	926,621	933,930	447,722	532,153
Profit before taxation	48,858	64,653	19,861	22,850
Profit for the year/period	44,519	58,645	17,653	17,791
Profit for the year/period attributable to the Shareholders	46,188	63,000	19,545	20,153
Earnings per Share attributable to the Shareholders (RMB cent per Share)	5.42	7.39	2.29	2.36

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## LETTER FROM SOMERLEY CAPITAL

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As at 31 December 2023, the audited consolidated net assets of the Offeree Company amounted to approximately RMB758,156 million, and as at 30 June 2024, the unaudited consolidated net assets of the Offeree Company amounted to approximately RMB775,954 million.

### INFORMATION OF THE OFFEROR

The Offeror is a fund in the form of a Delaware incorporated limited partnership managed by Alternative Liquidity (which conducts business using the name Alternative Liquidity Capital) which acts as its general partner and investment manager responsible for managing the portfolio of the Offeror.

Alternative Liquidity, based in the state of Minnesota in the United States, is in the business of providing liquidity solutions to investors in delisted and non-traded securities globally by making offers for such securities which, after taking into account risk-reward assessments based on information and know-how available to it, are consistent with its long-term investment strategy. Alternative Liquidity has successfully completed more than 20 partial tender offers in the United States, Australia, and other jurisdictions. As of December 31, 2024, Alternative Liquidity had approximately US\$16.9 million in assets under management.

Alternative Liquidity has the sole discretion of making investments on behalf of the Offeror and exercising powers set forth in the relevant partnership agreement including, without limitation, to purchase and otherwise deal in securities and make investments in other entities.

Mr. Jacob Mohs is the founder and managing member of Alternative Liquidity, and in his capacity as the managing member of Alternative Liquidity, his roles and responsibilities include developing and implementing investment strategies, making final trading decisions, managing portfolio performance, overseeing risk assessment, ensuring the Offeror's compliance with all applicable regulations as well as ensuring accurate and timely financial reporting that adheres to industry best practices and investor expectations. Mr. Mohs also serves as a board director of several companies affiliated with the Offeror in Minnetonka, United States and is the founder of Diligent Research LLC (formerly known as Ockham Research LLC, doing business as Ockham Data Group, which is a financial data provider for the alternative investment industry) based in Minnetonka, United States. Mr. Mohs has an M.A. from the Elliott School of International Affairs at the George Washington University and a B.S. from the University of Wisconsin-Madison. He holds the Chartered Financial Analyst and Chartered Alternative Investment Analyst designations.

### REASONS FOR THE PARTIAL OFFER

Alternative Liquidity seeks to make diversified long-term investments and provide liquidity solutions to investors in delisted and non-traded securities. Consistent with such investment strategy and philosophy, Alternative Liquidity is seeking to establish an ownership interest in the Shares for passive investment purposes and is not seeking to control or consolidate control of the Offeree Company. This is because to date, the business model of Alternative Liquidity does not involve acquiring control or seeking to consolidate control over investee companies, or to invest in companies as a controlling shareholder. As such, the Offeror is seeking to make the Partial Offer rather than a general offer for all the Shares. Alternative Liquidity has a normal investment horizon of five to ten years. The Partial Offer is not intended as disruptive but rather as a means to take an investment position in a long-suspended company.

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## LETTER FROM SOMERLEY CAPITAL

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Alternative Liquidity, acting for the Offeror, has determined the size and timing of the Partial Offer after taking into consideration various factors relevant to the Offeree Company including, without limitation, the financial position of the Offeree Company, the length of suspension of trading of the Shares, the reasons (including the Material Issues) for the suspension in trading and their impact or implications for investors.

Alternative Liquidity considers that the Partial Offer provides a reasonable opportunity for legacy holders of the Shares (who may wish to dispose of their Shares due to the Material Issues and other risks related to the Offeree Company but are unable to do so due to the prolonged trading suspension) to dispose of some or all of their Shares in a fair and transparent manner. In the process, Alternative Liquidity would assume the relevant associated risks attached to the holding of the Shares in the longer term (consistent with its longer term investment strategy) which is reflected in the Offer Price commensurate with the risk-benefit balance.

### **PUBLIC FLOAT OF THE OFFEREE COMPANY**

The Stock Exchange has stated that if, at the close of the Partial Offer, less than the minimum prescribed percentage applicable to the Offeree Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend dealings in the Shares.

As at the Latest Practicable Date, based on public information, the Offeree Company has a public float of approximately 51.81% of the Shares. Assuming (i) acceptances of the maximum number of Offer Shares under the Partial Offer by the Qualifying Shareholders; and (ii) that there are no changes to the issued share capital of the Offeree Company between the Latest Practicable Date and up to the Final Closing Date, the Offeree Company will have a public float of above 25% of the Shares immediately following the close of the Partial Offer. Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules. As required to be disclosed pursuant to Rule 14.81(1) of the Listing Rules, the Offeror intends the Offeree Company to remain listed on the Stock Exchange. The Offeror undertakes to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares as a result of the Partial Offer.

### **ACCEPTANCE AND SETTLEMENT OF THE PARTIAL OFFER**

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Partial Offer as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.



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## LETTER FROM SOMERLEY CAPITAL

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### COMPULSORY ACQUISITION

The Offeror will not have the power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Partial Offer after the close of the Partial Offer.

### GENERAL

All documents and remittances will be sent to the Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Offeree Company, or, in case of joint holders to the Shareholder whose name appears first in the said register of members of the Offeree Company. None of the Offeror, parties acting in concert with it, Somerley Capital and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Partial Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Partial Offer set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

Yours faithfully,  
for and on behalf of  
**Somerley Capital Limited**  
**Jakob Fabian Hesse**  
*Director*

**1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE PARTIAL OFFER**

To accept the Partial Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Partial Offer. Should Shareholders have any enquiries relating to the procedures for acceptance of the Partial Offer, the Shareholders may contact the Receiving Agent, Union Registrars Limited, at its hotline (852) 2849 3399 during the period from Tuesday, 11 March 2025 to the Closing Date between 9:00 a.m. to 5:00 p.m. (Hong Kong time) on Mondays to Fridays, excluding Hong Kong public holidays.

- (i) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) (if applicable) in respect of the Shares is/are in the name of the Qualifying Shareholder(s), and he/she/it wishes to accept the Partial Offer whether in full or in respect of part of his/her/its holding of the Shares, he/she/it should complete and return the accompanying Form of Acceptance in accordance with the instructions printed in this Offer Document and on the Form of Acceptance. The instructions in this Offer Document should be read together with the instructions on the Form of Acceptance (which instructions form part of the terms of the Partial Offer).
- (ii) In order to be valid, the completed Form of Acceptance should be forwarded, together with the share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for not less than the number of Shares in respect of which the relevant Qualifying Shareholder wishes to accept the Partial Offer, by post or by hand to the Receiving Agent, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, in an envelope marked "China Longevity Group Company Limited – Partial Offer" as soon as possible after receipt of the Form of Acceptance but in any event so as to reach the Receiving Agent by no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.
- (iii) Unless the Partial Offer is extended or revised in accordance with the Takeovers Code and with the consent of the Executive, no Form of Acceptance received after the Final Closing Date will be accepted.
- (iv) If the Form of Acceptance is executed by a person other than the registered holder, appropriate documentary evidence of authority (e.g., a grant of probate or certified copy of a power of attorney) to the satisfaction of the Receiving Agent must be delivered to the Receiving Agent with the completed Form of Acceptance.
- (v) No acknowledgement of receipt of any Form of Acceptance, share certificate(s), transfer receipt(s) or other document(s) of title (and/or any indemnity or indemnities in respect thereof) (if applicable) will be given.

- (vi) In relation to any acceptance(s) of the Partial Offer in respect of Shares held in CCASS, the Offeror reserves the right to make such alterations, additions or modifications to the terms of the Partial Offer as may be necessary or desirable to give effect to any purported acceptance of the Partial Offer, whether to comply with the facilities or requirements of CCASS or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeovers Code and any applicable laws and regulations or are otherwise made with the Executive's consent.

## **2. ACCEPTANCE OF THE PARTIAL OFFER**

Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects, (a) if valid acceptances are received for an amount no less than 8,526,125 Offer Shares (being the minimum number required for the Partial Offer to become unconditional) but no more than the maximum of 85,261,250 Offer Shares on the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be equal to the total number of Offer Shares tendered for acceptance by such accepting Qualifying Shareholder; or (b) if valid acceptances are received for more than the maximum number of Offer Shares on the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula:

$$\frac{A}{B} \times C$$

- A = the maximum number of Offer Shares under the Partial Offer (i.e. 85,261,250 Offer Shares)
- B = the total number of Offer Shares validly tendered for acceptance by all Qualifying Shareholders under the Partial Offer
- C = the number of Offer Shares tendered for acceptance by the relevant individual Qualifying Shareholder under the Partial Offer

## **3. PARTIAL NATURE OF THE PARTIAL OFFER AND EFFECT OF FRACTIONS**

- (i) It is possible that, if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up.
- (ii) Fractions of Offer Shares will not be taken up under the Partial Offer and, accordingly, the number of Offer Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror, and in any event, the total number of Offer Shares to be taken up by the Offeror will not exceed the number of Offer Shares.

**4. NOMINEE HOLDINGS**

- (i) If the share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of a Qualifying Shareholder's Share(s) is/are in the name of a nominee company or some name other than his/her/its own, and such Qualifying Shareholder wishes to accept the Partial Offer (either in full or in respect of part of his/her/its holding(s) of Shares), he/she/it must either:
- (a) lodge the share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) with the nominee company, or other nominee, with instructions authorising it to accept the Partial Offer on his/her/its behalf and requesting it to deliver the Form of Acceptance duly completed and signed together with the relevant share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) to the Receiving Agent, within such deadline (which may be earlier than the deadline specified under the Partial Offer) as may be stipulated by the nominee; or
  - (b) arrange for the Shares to be registered in his/her/its name by the Offeree Company through the Registrar, and send the Form of Acceptance duly completed and signed together with the relevant share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) to the Receiving Agent on or before 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve; or
  - (c) where his/her/its Shares have been deposited in CCASS via his/her/its licensed securities dealer/broker/custodian bank, instruct his/her/its licensed securities dealer/broker/custodian bank to authorise HKSCC Nominees Limited to accept the Partial Offer on his/her/its behalf on or prior to the deadline set by HKSCC Nominees Limited or any other date as shall be determined by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, that Qualifying Shareholder should check with his/her/its licensed securities dealer/broker/custodian bank for the timing on processing his/her/its instruction, and submit such instruction to his/her/its licensed securities dealer/broker/custodian bank as required by them; or
  - (d) if the Shares have been lodged with his/her/its investor participant account with CCASS, authorise his/her/its instruction via the CCASS phone system or CCASS internet system no later than one business day before the deadline set by HKSCC Nominees Limited or any other date as shall be determined by HKSCC Nominees Limited.

- (ii) Qualifying Shareholders with a nominee holding of Shares should ensure that they undertake the above applicable course of action promptly to allow their nominee(s) sufficient time to complete the acceptance procedure on his/her/its behalf before the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.

## **5. TIMING OF ACCEPTANCES UNDER THE PARTIAL OFFER**

Pursuant to Rule 15.1 of the Takeovers Code, where the offeree board circular is posted after the date of the Offer Document, the Partial Offer must initially be open for acceptance for at least 28 days after the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances prior to the First Closing Date, provided that Rule 15.3 of the Takeovers Code is complied with, the Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Accordingly, if the acceptance condition is fulfilled during the period between the Despatch Date and the date which is 14 days before the First Closing Date, the Offeror must declare the Partial Offer unconditional as to acceptances on the day the acceptance condition is met, provided that the Partial Offer would remain open for acceptance for not less than 14 days thereafter, and the Offeror cannot extend the First Closing Date and the Final Closing Date would be on (but no earlier than) the First Closing Date. If the acceptance condition of the Partial Offer is fulfilled within the 14-days period before the First Closing Date, the Partial Offer would remain open for acceptance for 14 days after the Partial Offer is declared unconditional as to acceptance (i.e. the Final Closing Date).

## **6. RECENT TRANSFERS**

If a Qualifying Shareholder has lodged transfer(s) of Shares for registration in his/her/its name and has not yet received the share certificate(s) and wishes to accept the Partial Offer, he/she/it should nevertheless complete and sign the Form of Acceptance and deliver it to the Receiving Agent together with the transfer receipt(s) duly signed by him/her/it. Such action will be deemed to be an irrevocable authority to the Offeror and/or Somerley Capital and/or any of their respective agent(s) or such other person(s) as any of them may direct for the purpose of collecting from the Offeree Company or the Registrar on his/her/its behalf the relevant share certificate(s) when issued and to deliver such share certificate(s), subject to the terms of the Partial Offer, as if it was/they were delivered to the Receiving Agent with the Form of Acceptance.

**7. LOST OR UNAVAILABLE SHARE CERTIFICATES**

- (i) If the share certificate(s), transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost and a Qualifying Shareholder wishes to accept the Partial Offer, the Form of Acceptance should nevertheless be completed, signed and delivered, together with a letter stating that he/she/it has lost one or more of his/her/its share certificate(s) and/or transfer receipts and/or other document(s) of title or that it/they is/are not readily available, to the Receiving Agent so as to reach the Receiving Agent no later than 4:00 p.m. (Hong Kong time) on the First Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve. If the Qualifying Shareholder finds such document(s) or if it/they become available, the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) should be forwarded to the Receiving Agent as soon as possible thereafter and in any event no later than 4:00 p.m. (Hong Kong time) on the First Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.
  
- (ii) In addition, if a Qualifying Shareholder has lost his/her/its share certificate(s), transfer receipt(s) and/or any other document(s) of title, he/she/it should also write to the Registrar and request a letter of indemnity in respect of the lost share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (as the case may be) which, when completed in accordance with the instructions given, should be returned, together with the Form of Acceptance and any share certificate(s), transfer receipt(s) and/or any other document(s) of title which are available, to the Receiving Agent either by post or by hand, so as to arrive not later than 4:00 p.m. (Hong Kong time) on the First Closing Date or such later time and/or date as the Offeror may decide and announce and the Executive may approve. In such cases, the Qualifying Shareholder will be informed of the fees and/or expenses payable to the Registrar for which he/she/it will be responsible. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s), transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

**8. SETTLEMENT**

- (i) Provided that the Partial Offer becomes or is declared unconditional in all respects and a duly completed Form of Acceptance and the relevant documents required to tender the relevant acceptance under the Partial Offer are received by the Receiving Agent by no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve, and are duly completed in all respects and in accordance with the Takeovers Code, the Receiving Agent will send to the relevant accepting Shareholder by ordinary post, at his/her/its own risk, (a) a remittance for the amount due to him/her/it under the Partial Offer (taking into account

any scaling down of his/her/its acceptance, and, if applicable, the fees payable to the Registrar in respect of lost or unavailable share certificates); and (b) (if applicable) any share certificate(s) and/or any transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) (if applicable) for Shares not taken up by the Offeror, in each case, as soon as possible but in any event no later than seven business days following the Final Closing Date.

- (ii) Settlement of the consideration to which any accepting Shareholder is entitled under the Partial Offer will be implemented in full in accordance with the terms of the Partial Offer without regard to any lien, right of set-off, counterclaim, or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.
- (iii) No fractions of a cent will be payable and the amount of cash consideration payable to an accepting Shareholder will be rounded up to the nearest cent.
- (iv) If the Partial Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, or is withdrawn or lapsed, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Receiving Agent will be returned to the persons who have accepted the Partial Offer by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven business days after the Partial Offer is withdrawn or lapsed.
- (v) If part of the Shares tendered by the Qualifying Shareholders are not taken up by the Offeror under the Partial Offer, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for the Shares not taken up by the Offeror will be returned to the persons who have accepted the Partial Offer by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven business days following the Final Closing Date.

## **9. EFFECT OF ACCEPTING THE PARTIAL OFFER**

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

**(i) Right of withdrawal**

The Form of Acceptance which has been duly completed and received by the Receiving Agent will constitute irrevocable acceptance of the Partial Offer in respect of the number of the Shares inserted in the Form of Acceptance and subject to the terms and conditions set out in this Offer Document, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Partial Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Partial Offer has not by then become unconditional as to acceptances.

Furthermore, Rule 19.2 of the Takeovers Code relates to failure to announce the results of the Partial Offer as set out in the section headed “Announcements” in this Appendix and provides that the Executive may require that accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements of Rule 19 of the Takeovers Code can be met.

If acceptance of the Partial Offer is withdrawn by the accepting Shareholders with the consent of the Executive in accordance with the Takeovers Code, the Offeror shall, as soon as possible but in any event no later than seven business days thereof, return the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of such number of Shares lodged with the Form of Acceptance to the relevant accepting Shareholder(s) by ordinary post.

**(ii) Representations and warranties**

If the Qualifying Shareholder is a resident or a citizen outside Hong Kong, he/she/it hereby represents and warrants that (i) all local laws and requirements in connection with such acceptance have been complied with and (ii) the Partial Offer can be accepted by such Qualifying Shareholder under the laws and regulations of the relevant jurisdiction and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. If the Qualifying Shareholders are in doubt with the relevant requirement, Qualifying Shareholders should consult their professional advisers.

**(iii) Appointment and authority**

Due execution of the Form of Acceptance by a Qualifying Shareholder constitutes an irrevocable instruction to the Offeror or Somerley Capital, or such other person as any of them may direct, to complete and execute the Form of Acceptance and/or any other document on behalf of the person accepting the Partial Offer and to do any other acts or things (such as, among others, due execution of instruments of transfer to effect transfers of Shares accepted by the Qualifying Shareholders pursuant to the Partial Offer to the Offeror and to tender the relevant share certificate(s) for cancellation) as may be necessary, expedient or desirable for the purpose of the Offeror to acquire some or all of the Shares (as the Offeror may in its absolute discretion determine in accordance with the formula as set out in the section headed “Acceptance of the Partial Offer” in this appendix in respect of which such person has accepted the Partial Offer).



**(iv) Undertakings**

By executing the Form of Acceptance, a Qualifying Shareholder:

- (a) undertakes to deliver to the Receiving Agent the share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of the Shares for which the Partial Offer is accepted, or an indemnity or indemnities acceptable to the Offeror in lieu thereof, or to procure the delivery of such document(s) to the Receiving Agent as soon as possible thereafter and, in any event, no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve; and
- (b) undertakes to do all such acts and things and execute all such deeds and documents as may be necessary to carry into effect or to give legal effect to his/her/its acceptance of the Partial Offer, including, without limitation, to sell any Shares in respect of which he/she/it has accepted the Partial Offer free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date.

**(v) General**

- (a) The provisions of the Form of Acceptance and the other terms and conditions in this Offer Document are deemed to be incorporated into the terms and conditions of the Partial Offer.
- (b) The Offeror or such other person as the Offeror may direct is authorised to despatch by ordinary post the consideration to which the Qualifying Shareholder is entitled at his/her/its risk to the address of the registered Shareholder or the first named of joint registered Shareholders on the register of members of the Offeree Company or, if different, to the name and address of the person as specified on the Form of Acceptance.
- (c) In making their decisions, the Qualifying Shareholders must rely on their own examination of the Offeree Group and the terms of the Partial Offer including the merits and risks involved. The contents of this Offer Document, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, Somerley Capital, or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice in relation to their decisions.
- (d) The Qualifying Shareholders may accept the Partial Offer by completing the Form of Acceptance in accordance with the instructions set out in the Form of Acceptance (which constitute part of the terms of the Partial Offer). A Form of Acceptance may be rejected as invalid if the procedures contained in this Offer Document and in the Form of Acceptance are not complied with.

- (e) The Partial Offer and all acceptances of it, the Form of Acceptance and all contracts made pursuant to the Partial Offer, and all action taken or made or deemed to be taken or made pursuant to these terms will be governed by and construed in accordance with Hong Kong laws. Delivery of a Form of Acceptance will constitute submission to the non-exclusive jurisdiction of the Hong Kong courts.
- (f) The accidental omission to despatch, or the failure of any person to receive this Offer Document or the Form of Acceptance will not invalidate any aspect of the Partial Offer. Extra prints of these documents are available to any Qualifying Shareholder at the office of the Receiving Agent during the period from the date of this Offer Document to the Final Closing Date (both days inclusive), between 9:00 a.m. and 4:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays), and on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk).
- (g) The Offeror reserves the right, subject to the Takeovers Code, any applicable law or regulatory requirements and the requirements of the Executive, to amend the Offer Price or other terms of the Partial Offer. In the event of such amendment, a supplemental document and new Form of Acceptance will be despatched to the Qualifying Shareholders. Any revised Partial Offer will be kept open for at least 14 days following the date on which the revised offer document is posted. If in the course of the Partial Offer, the Offeror revises the terms of the Partial Offer, all Qualifying Shareholders, whether they have accepted the Partial Offer or not, will be entitled to the revised terms.
- (h) The right of acceptance of the Partial Offer is personal to the Qualifying Shareholders and is not capable of being assigned or renounced in favour of others or otherwise transferred by the Qualifying Shareholders.
- (i) Subject to (a) the terms of the Partial Offer as set out in this Offer Document; (b) the provisions of the Takeovers Code; and (c) any requirements of the Executive, the Offeror shall determine the calculation of the number of Shares to be taken up by the Offeror from each accepting Shareholder, the Offer Price to be paid therefor, whether an acceptance tendered fully complies with the terms of the Partial Offer and all other questions as to the validity, form and eligibility (including the time of receipt) of an acceptance (provided that this is determined consistently with the requirement of the Takeovers Code or otherwise with the Executive's consent). In the absence of manifest error, such a determination by the Offeror shall be conclusive.
- (j) All communications, notices, the Form of Acceptance, share certificate(s), transfer receipt(s), other document(s) of title (and/or any indemnity or indemnities in respect thereof) and remittances to be delivered or sent by, to or from any Shareholders will be delivered or sent by, to and from them, or their designated agents, at their own risks and none of the Offeror, Somerley Capital, the Receiving Agent or any of their respective directors or professional advisers or any other person involved in the Partial Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.

**10. OVERSEAS SHAREHOLDERS**

The Partial Offer is made to all Qualifying Shareholders, including the Overseas Shareholders and a copy of this Offer Document will be sent to each Shareholder. The making of the Partial Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be prohibited or affected by the applicable laws and regulations of their relevant jurisdictions of residence.

Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibility of any such persons who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements or the payment of any transfer or other taxes due from such persons in respect of such jurisdictions).

**Any acceptance of the Partial Offer by any Qualifying Shareholders will be deemed to constitute a representation and warranty from such Qualifying Shareholders to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders should consult their professional advisers if in doubt.**

**11. HONG KONG STAMP DUTY**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be borne by the Offeror.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the Qualifying Shareholders that accept the Partial Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

**12. TAXATION ADVICE**

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Partial Offer. None of the Offeror and parties acting in concert with it, Somerley Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.

**13. ANNOUNCEMENTS**

The announcement of the results of the Partial Offer will be issued by the Offeror and posted on the website of the Stock Exchange by 7:00 p.m. on the day when the Partial Offer has become or been declared unconditional in all respects (if such date is prior to the First Closing Date) or on the First Closing Date, as the case may be, and on the Final Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code and will include, among other things, the results of the Partial Offer and details of the way in which each accepting Shareholder's pro-rata entitlement was determined. In any announcement of an extension of the Partial Offer, either the next closing date must be stated or, if the Partial Offer is unconditional in all respects, a statement may be made that the Partial Offer will remain open for acceptance for 14 days thereafter in accordance with the Takeovers Code. The Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date pursuant to Rule 28.4 of the Takeovers Code.

The results announcements shall specify the total number of Shares: (i) for which acceptances of the Partial Offer have been received; (ii) held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period; and (iii) acquired or agreed to be acquired during the Offer Period by the Offeror or any parties acting in concert with it.

The results announcements must include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Offeree Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The results announcements shall include the percentages of the relevant classes of share capital of the Offeree Company, and the percentages of voting rights, represented by these numbers.

If the Offeror, any parties acting in concert with it or its advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

As required under the Takeovers Code and the Listing Rules, all announcements in relation to the Partial Offer in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments thereon, will be published on the website of the Stock Exchange.

**1. RESPONSIBILITY STATEMENT**

Alternative Liquidity, acting as general partner to the Offeror, and Mr. Jacob Mohs, the managing member of Alternative Liquidity, jointly and severally accept full responsibility for the accuracy of the information contained in this Offer Document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statements in this Offer Document misleading.

The information relating to the Offeree Group in this Offer Document has been extracted from or based on the published information of the Offeree Company. The only responsibility accepted by Alternative Liquidity acting as general partner to the Offeror in respect of such information is for the correctness and fairness of the extraction of such information and/or its reproduction or presentation.

**2. MARKET PRICES**

The table below shows the closing price per Share as quoted on the Stock Exchange on (a) the Latest Practicable Date; (b) the Last Trading Day; and (c) the last trading day of each of the calendar months during the period commencing 6 months before the Last Trading Day.

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
31 August 2012	1.65
28 September 2012	1.70
31 October 2012	1.60
30 November 2012	1.45
31 December 2012	1.51
31 January 2013	1.57
14 February 2013 (Last Trading Day)	1.37
7 March 2025 (Latest Practicable Date)	1.37

The Shares have been suspended from trading since 14 February 2013 and over the Relevant Period.

During the period commencing 6 months before the Last Trading Day and up to and including the Latest Practicable Date the highest closing price of the Shares quoted on the Stock Exchange was HK\$1.93 per Share on 23 and 24 August 2012, and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$1.31 per Share on 17 December 2012.

**3. INTERESTS IN SECURITIES OF THE OFFEREE COMPANY**

As at the Latest Practicable Date, the Offeror and parties acting in concert with it, Alternative Liquidity, and Mr. Jacob Mohs were not interested directly or indirectly in and did not own, control or direct any voting rights or rights over any Shares, convertible securities, warrants or options of the Offeree Company or any derivatives in respect of such securities.

**4. DEALING IN SECURITIES OF THE OFFEREE COMPANY**

During the Relevant Period and up to and including the Latest Practicable Date, none of the Offeror or parties acting in concert with it has dealt in any Shares, options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeree Company.

The Offeror confirms that, as at the Latest Practicable Date:

- (i) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept or reject the Partial Offer;
- (ii) there is no outstanding derivative in respect of securities in the Offeree Company which has been entered into by the Offeror or parties acting in concert with it;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Offeror and/or parties acting in concert with it;
- (iv) there is no agreement or arrangement to which the Offeror or any of the parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Partial Offer;
- (v) none of the Offeror or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Offeree Company;
- (vi) other than the Offer Price under the Partial Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it in connection with the Partial Offer;
- (vii) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2) the Offeror and/or parties acting in concert with it;
- (viii) there is no agreement, arrangement or understanding that the securities in the Offeree Company acquired in pursuance of the Partial Offer would be transferred, charged or pledged to any other persons;
- (ix) there was no benefit given or to be given to any Directors as compensation for loss of office or otherwise in connection with the Partial Offer; and
- (x) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or its concert parties and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependent upon the Partial Offer.

**5. QUALIFICATION AND CONSENT OF THE FINANCIAL ADVISER**

The following is the name and the qualifications of the financial adviser to the Offeror who has given advice contained or referred to in this Offer Document:

<b>Name</b>	<b>Qualifications</b>
Somerley Capital	A corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Somerley Capital has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion therein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which it appears.

**6. DOCUMENTS AVAILABLE FOR INSPECTION AND DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection (i) on the website of Alternative Liquidity (<https://alternativeliquidity.net/>); and (ii) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)) from the date of this Offer Document up to and including the Final Closing Date:

- (i) the certificate of limited partnership of the Offeror;
- (ii) the limited partnership agreement of the Offeror;
- (iii) the letter from Somerley Capital, the text of which is set out in this Offer Document;
- (iv) the written consent referred to in the paragraph headed “Qualification and Consent of the Financial Adviser” in this Appendix II; and
- (v) this Offer Document and the accompanying Form of Acceptance.

**7. MISCELLANEOUS**

As at the Latest Practicable Date:

- (i) the correspondence address of the Offeror is care of Somerley Capital Limited, 20/F, China Building, 29 Queen's Road Central, Hong Kong;
- (ii) the registered and correspondence address of Somerley Capital is 20/F, China Building, 29 Queen's Road Central, Hong Kong;
- (iii) the sole managing member of Alternative Liquidity, the general partner of the Offeror, is Mr. Jacob Mohs. The correspondence address of Alternative Liquidity is 11500 Wayzata Blvd. #1050, Minnetonka, MN 55305, United States of America; and
- (iv) the English text of this Offer Document and the accompanying Form of Acceptance shall prevail over the respective Chinese text in case of any inconsistency.